

Implementation of the Cost Recovery Plan for Accreditation February 2014

Introduction

This agenda item will provide the Committee on Accreditation an opportunity to discuss any potential implications that the cost recovery plan might have on accreditation decisions and to determine whether additional processes and procedures are needed in order to protect the integrity of the accreditation system.

Staff Recommendation

That the COA determine whether there is a need to develop process and procedures to ensure that accreditation decisions are made free from bias related to the costs involved in resulting actions.

Background

Adoption of Emergency Regulations for the Cost Recovery Plan

The 2013-14 Budget Act assumed \$200,000 of the Commission's budget would come from funds received as a result of the implementation of a cost recovery plan for specific accreditation activities. The Budget Act allowed for this revenue to come from 1) the approval of new programs, and 2) activities that were beyond the normal accreditation activities for ongoing, previously approved institutions/programs. No fees are charged for ongoing standard accreditation activities (Biennial Report, Program Assessment, Site Visits)

The Commission staff offered some possible options for a cost recovery plan for Commission consideration at its August 2013 meeting. At that time, the Commission requested stakeholder feedback. The Commission staff surveyed the field of program sponsors and reported that feedback to the Commission at its September 2013 meeting. On September 27, 2013, the Commission approved emergency regulations implementing a cost recovery plan for selected accreditation activities (For more information, please access the September Commission [Agenda Item 4A Proposed Cost Recovery Plan for Accreditation Activities and Draft](#)).

The Commission received notice on October 23, 2013 that the Office of Administrative Law approved the emergency regulations. As a result of this action, the cost recovery regulations and fee schedule were implemented on **October 30, 2013**. The Commission will collect Cost Recovery fees for initial institutional approval (IIA), new program proposals (Initial Program Reviews or IPR), late document submissions, revisits and other specified accreditation activities. For more detailed information about the Cost Recovery process and related fees, you may access [Program Sponsor Alert 13-11](#).

Additionally, the approved Cost Recovery fee structure is included in the table below:

Accreditation Activity	Cost Recovery
Regularly Scheduled Site Visits	\$0
Regularly Scheduled Pre-visits	\$0
Revisit	<i>\$1000 per individual attending visit</i>
Reports Addressing Stipulations (revisit required)	\$1000
Reports Addressing Stipulations (no revisit required)	\$500
Program Assessment/Biennial Reports	\$0
Program Assessment Requiring More than 3 Reviews	\$1,000
Initial Program Review 12 or more standards	\$2,000
Initial Program Review 6-11 standards	\$1,500
Initial Program Review fewer than 6 standards	\$1,000
Initial Institutional Approval	\$2,000
Focused Site Visit	<i>\$1,000 per individual attending visit</i>
Late Document Reviews	<i>\$500 per program</i>
Additional Extraordinary Accreditation Activity	Cost Recovery
Full Program Review during Site Visit as a result of not completing program assessment process	<i>\$3,000 per program</i>

Submission of Permanent Regulations to Office of Administrative Law

Following a public hearing held during the December 13, 2013 Commission meeting, the members of the Commission approved the final regulations pertaining to Cost Recovery for Accreditation Activities. The final regulations were then submitted to the Office of Administrative Law in January 2014 and are awaiting approval. For more information please access the December Commission [Agenda Item 11 Proposed Addition to Title 5 California Code of Regulations Pertaining to the Cost Recovery Fees for Accreditation Activities](#).

Implications of Cost Recovery on Accreditation Procedures

To date, the accreditation team decisions as well as COA accreditation decisions have been based solely on the evidence provided throughout the accreditation cycle. The adoption of a Cost Recovery system raises concern about whether cost considerations might influence the outcome of site visit team decisions and/or COA decisions about programs institutions. Staff has heard from some constituencies that there is some concern that the potential resources recovered from accreditation activities subject to Cost Recovery might either drive or impact these decisions. In order to protect the integrity of the accreditation decision making process, Commission staff raises this issue for discussion with COA.

Given the approval of emergency regulations and the anticipated April 2014 approval of permanent regulations by the Office of Administrative Law, it is recommended that there be a discussion of the implications of Cost Recovery on the accreditation process and any safeguards that might be developed to ensure that accreditation team decisions remain objective. Below is a list of related questions for consideration and discussion:

- 1) *Accreditation Handbook* language related to accreditation team decisions
 - Is new language needed in the *Accreditation Handbook* that provides accreditation team members certain guidance about cost recovery when deliberating on accreditation site visit recommendations?
- 2) *Accreditation Handbook* language related to COA deliberations
 - Is language needed in the *Accreditation Handbook* regarding COA deliberations in light of Cost Recovery?
- 3) Training for Team Leads?
 - What type of training needs to be developed for Team Leads about the implications of Cost Recovery on accreditation site visit decisions?
- 4) Other considerations

Next Steps

This item is for discussion. Any recommended options or specific language could be brought back to a future COA meeting for further discussion and/or action.